



Attorney General Jon Bruning

NEWS RELEASE

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Note: A sound bite on this topic will be available shortly at: <http://www.ago.ne.gov>

Attorney General Bruning: Four Fined for Sherman County Bank Lending Violations

LINCOLN – Attorney General Jon Bruning announced that four officers of the Sherman County Bank entered no contest pleas and were fined for legal lending limit violations in Sherman County Court Thursday.

The charges stem from the failure of the Loup City bank last February. Nebraska law limits how much of a bank's capital it can lend.

“Lending limits exist to protect bank customers from bad decisions,” Bruning said. “These officers allowed the bank to get in over its head, which resulted in closure.”

The bank officials and their fines:

- Gerald E. Wortman, the bank's former president, pleaded no contest to 25 counts of legal lending limit violations and was fined \$350 for each count, plus court costs.
- Lawrence J. Volf, vice president, pleaded no contest to 20 counts of legal lending limit violations and was fined \$350 for each count, plus court costs.
- George L. McFadden, senior vice president, pleaded no contest to 10 counts of legal lending limit violations and was fined \$350 for each count, plus court costs.
- Michael Rosander, vice president, pleaded no contest to 10 counts legal lending limit violations and was fined \$100 for each count, plus court costs.

Lending limit violations are currently a Class IV misdemeanor and can be punished by a fine of \$100 to \$500 for each count. Jail time is not an option.

State Sen. Rich Pahls of Omaha introduced legislation this session to increase the penalty for violating legal lending limits to a Class IV felony for cases that result in a bank's insolvency. LB890 passed on General File and is currently awaiting floor debate on Select File.

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